REMARKS

1. Interview

Applicants thank the Examiner and his supervisor for their courtesy in discussing this application in a personal interview with their representative Darin Gibby on February 17, 2005. The relevance of the cited art to the pending claims was discussed, although agreement was not reached.

2. Status of Office Action

The Office Action mailed November 18, 2004 is identified by the Office Action Summary as a nonfinal action. The Conclusion of the Detailed Action includes the form paragraphs indicating that the Office Action is final.

To resolve the inconsistency, the undersigned consulted the Office's electronic PAIR system, which indicates that the Office Action is nonfinal. A copy of the PAIR output is attached as Exhibit 1. It is further noted that the Office Action presents a new prior-art ground of rejection. This new ground of rejection was not necessitated by any amendment made by Applicant since no amendments addressing the previous prior-art rejections were made in the prior response.

This paper accordingly responds to the Office Action mailed November 18, 2004 as a nonfinal action.

3. §112 Rejections

Claims 11 – 14 stand rejected under the first paragraph of 35 U.S.C. §112 as failing to comply with the written description requirement.

In responding to this rejection in the previous response, Applicant identified p. 5, ll. 12 – 23 of the application as providing adequate support for the claim limitations at issue, namely the limitations that a request to transfer at least some of the funds in the stored value account to a recipient be received "in response to and substantially contemporaneous with consummation of a transaction between the sender and recipient." In specifically pointing out how the identified portion of the application provides adequate support for the claim limitations, Applicant made the following remarks:

> It is respectfully believed that [the disclosure at p. 5, ll. 12 – 23 of the application] teaches the request to transfer at least some of the funds in the stored value account "in response to and substantially contemporaneous with consummation" of the transaction. The disclosure teaches that a hyperlink be provided on "the web page awarding the buyer the highest bid" and teaches that the request be transmitted simply by the buyer clicking on the hyperlink during a single computer session, i.e. "without requiring the buyer from leaving a computer terminal." The hyperlink is thus provided in direct response to consummation of the transaction because it is provided "on the web page awarding the buyer the highest bid." The described embodiment also teaches that the transfer request be received substantially contemporaneously with consummation of the transaction because the form of the web page is described as inviting the buyer to initiate the request from that web page as part of a single computer session. Applicants thus respectfully believe that the language identified in the §112 rejection is supported by the original disclosure. (Amendment mailed August 17, 2004, p. 4).

In summarizing the law relevant to determining whether the specification provides adequate disclosure for a particular claim limitation, the MPEP notes that "[a]n objective standard for determining compliance with the written description requirement is, 'does the description clearly allow persons of ordinary skill in the art to recognize that he or she invented what is claimed.' " MPEP 2163.02 *citing In re Gosteli*, 872 F.2d 1008, 1012, 10 USPQ2d 1614, 1618 (Fed. Cir. 1989). When, as here, Applicant has pointed out where the limitation is supported, the burden is on the Office to "[e]stablish a *prima facie* case by providing reasons why a person skilled in the art at the time the application was filed would not have recognized that the inventor was in possession of the invention as claimed in view of the disclosure of the application as filed." MPEP 2163.04. In particular, "[i]f applicant amends the claims and points out where and/or how the originally filed disclosure supports the amendment(s), and the examiner finds that the disclosure does not reasonably convey that the inventor had possession of the subject matter of the amendment at the time of the filing of the

application, the examiner has the initial burden of presenting evidence or reasoning to explain why persons skilled in the art would not recognize in the disclosure a description of the invention defined in the claims." MPEP 2163, *citing* MPEP 2163.04 (emphasis added).

It is respectfully believed that the comments in the Office Action mailed November 18, 2004 fail to satisfy the burden of explaining why the identified portions of the specification do not reasonably convey the claim limitation to those of skill in the art. The Office Action's response that "Claims 11 – 14 remain rejected since[] Applicant did not remove or amend[] objected matter(s) from claimed limitation, and the wording cannot be changed" (Office Action, p. 2) is insufficient. Such a statement provides no reasoned explanation why the identified disclosure of the specification is viewed as deficient in conveying the claim limitation to those of skill in the art. It is well known that "[t]he subject matter of the claim need not be described literally (i.e. using the same terms or *in haec verba*) in order for the disclosure to satisfy the description requirement." MPEP 2163.02.

Withdrawal of the §112 rejections is accordingly requested.

4. Prior-art Rejections

Claims 11, 13 – 15, and 17 – 21 stand rejected under 35 U.S.C. §103(a) as unpatentable over U.S. Pat. No. 5,825,003 ("Jennings") in view of U.S. Pat. No. 5,903,881 ("Schrader") and U.S. Pat. No. 6,085,168 ("Mori"); and Claims 12 and 16 stand rejected under 35 U.S.C. §103(a) as unpatentable over Jennings in view of Schrader and Mori, and further in view of U.S. Pat. No. 6,070,798 ("Nethery").

As suggested in the Interview, independent Claims 11 and 15 have been amended to recite certain aspects of the invention more particularly. Specifically, each of these claims now includes limitations that embrace the establishment of a stored value account on a computational system that is interfaced with the Internet. Aspects of the stored value account have been recited in the claims to identify them as accounts that maintain an electronic value defined by credits to the account by a user. This is recited in Claim 11 in the form of previously

credited amounts, while Claim 15 now specifically recites actions taken in crediting the account. In this way, the stored value accounts are noted to be distinct from credit accounts, which rely not on previously deposited amounts but on an agreement with the user to repay amounts. Indeed, the specification notes this distinction by discussing embodiments in which the stored value account is "particularly advantageous for [users] who have no credit cards or desires to avoid their use" (Application, p. 6, ll. 11 –12).

Support for the amendments to the claims is provided in the application with Figs. 1 and 2 and by written description provided at p. 3, l. 24 – p. 4, l. 2 (describing a structure for the system) and p. 6, ll. 5 – 12 describing an implementation of the stored value accounts. The ability to use such a structure offers advantages over prior-art systems like mail-order arrangements. For instance, as the application notes, "one advantage of the system of the present invention is clearly evident in that as soon as a buyer desires to purchase goods from a seller with a money order, the seller may immediately ship the goods to the buyer ... without having to wait for [a] money order, which may typically take up to five (5) days if transmitted by regular mail" (*id.*, p. 7, ll. 1 – 5).

Examination of the claims as amended is respectfully requested. In the interest of advancing prosecution of the application, the following comments are offered regarding the currently relied-upon art.

a. Claims 11 – 14 and 19

As Applicant best understands, the Office Action withdraws the previous reliance on Jennings as showing the limitation of "receiving a request ... to transfer at least some of the funds ... in response to and substantially contemporaneous with consummation of a transaction between the sender and recipient," and instead now relies on Mori for this limitation.[1]

[1] On page 3 of the Office Action, lines 10 – 12 include language that seems to suggest continued reliance on Jennings for this limitation, while lines 16 – 18 indicate that Jennings is not relied on. Applicant presumes that the suggestion at lines 10 – 12 was included erroneously.

Mori teaches a system that is intended to avoid risks involved with the purchase of goods, namely the risk that a purchaser will pay for the goods but never receive them or find them unsatisfactory and the risk that a seller will ship the goods but never receive payment for them (Mori, Col. 1, ll. 22 – 52). To avoid this risk, Mori proposes the use of "provisional settlement money." Such provisional settlement money appears to be a new concept disclosed in Mori and is different from "money" or "funds." In Mori, when a transaction between a seller and a buyer is consummated, a "provisional settlement money issue request" is transmitted to a processing unit of the buyer's financial institution (*id.*, Col. 17, ll. 9 – 12). Such a request is not a request for a transfer of funds because such a transfer of funds would entail the same risks that Mori seeks to avoid. Instead, the request causes the buyer's financial institution to verify that there are sufficient funds in the buyer's account and, if so, to freeze those funds in the account and to issue "provisional settlement money" to the seller (*id.*, Col. 17, ll. 16 – 28). The issuance of provisional settlement money cannot fairly be equated to a transfer of funds since provisional settlement money by itself has no power as currency — it cannot be used for any kind of purchase until the buyer issues a final settlement request and the seller issues a final settlement admission (*id.*, Col. 3, ll. 26 – 30), the combination of which may be issued only well after consummation of the underlying transaction.

Thus, the combination of Jennings, Schrader, and Mori still fails to disclose the claim limitation of "receiving a request ... to transfer at least some of the funds ... in response to and substantially contemporaneous with consummation of a transaction between the sender and recipient." Since demonstrating that all claim limitations are taught or suggested by the cited art is a requirement in establishing a *prima facie* case under §103(a), no such *prima facie* case has been established. MPEP 2143. Indeed, Mori teaches away from the claim limitation since it teaches that the "provisional settlement money issue request" acts not as a request to transfer the funds but as a request to *freeze* the funds in the account where they reside.

The Office Action cites certain language, such as that at Col. 29, ll. 3 – 12, that is concerned not with a request to transfer funds in response to consummation of a transaction, but is instead concerned with *canceling* a transaction based on prepayment. This is evident from the paragraph preceding the cited language, which explains:

> As shown in step 330 in FIG. 9, the transaction management device 5 transmits a cancellation request notification to the seller's processing unit 2. Upon receipt of the cancellation request notification, the seller's processing unit 2 performs the cancellation process. First, the seller's processing unit 2 inquires the goods sales management DB 20 and the money management DB 21 whether or not the cost of the goods has been paid (in the case of prepayment) (S332). If the payment has been made, the transaction management device 5 transmits a transfer request to the transaction management device 5 to return money to the purchaser (S334). Upon receipt of the request, the transaction management device 5 inquires the encryption key management DB 50, seller information DB 52, financial institution information DB 53, transaction management DB 55, and return-of-goods site monitor DB 57, and transmits the request for receipt of transfer to the processing unit of the seller's financial institution 4 with the authentication of the seller (B)(S336). (Mori, Col. 28, l. 52 – Col. 29, l. 3, emphasis added).

The "request" referred to in the paragraph at Col. 29, ll. 3 – 12 is a request for cancellation of a prepayment, which is why that paragraph describes transferring money *from the seller's* account to the *purchaser's account.*

In addition to demonstrating that all the claim limitations are taught or suggested by the cited art, establishment of a *prima facie* case also requires showing an adequate suggestion or motivation to combine the reference teachings. MPEP 2143. In this instance, it is not clear how the Office Action proposes to combine Jennings with Mori. Jennings is concerned with transactions in the form of money transfers, with settlement being performed after the transfer has been made (Jennings, Col. 5, ll. 55 – 60). There is no discussion in Jennings of transactions for the sale of goods, which is the entire focus of Mori. To implement the teachings of Mori to freeze funds and to generate "provisional settlement money" would be completely counter to the objective of Jennings to "transfer[] funds instantly to" different accounts (Jennings, Col. 2, ll. 38 – 43).

b. Claims 15, 17, 18, 20, and 21

While the rejections of Claims 15, 17, 18, and 20 are made over Jennings in view of Schrader and Mori, the Detailed Action does not specifically discuss Mori in explaining the rejections of these claims. Instead, Mori is discussed specifically in connection with the rejection of Claim 11, where it is described as being relied on for the limitation of "receiving a

request ... to transfer at least some of the funds ... in response to and substantially contemporaneous with consummation of a transaction between the sender and recipient." But such a limitation is not included with any of Claims 15, 17, 18, or 20, so the relevance of Mori to the rejections is unclear. If a teaching of Mori is being relied on for the rejections of Claims 15, 17, 18, and 20, Applicant requests a specific indication of what teaching is being relied on for which limitations so that the basis for rejection may be fully considered. 37 C.F.R. §1.104(c)(2).

The Office Action indicates, for Claim 15, that Jennings is relied on for all limitations except a server computer. As previously noted, Claim 15 sets forth a number of limitations that relate to a payment instrument (such as a credit card, Application, p. 5, l. 27). These include requiring that the request include information on the payment instrument, that an authorization request to charge the payment instrument be sent, and that an authorization to charge the payment instrument be received. Jennings is not at all directed to use of a payment instrument for supporting a funds transfer over the Internet. Instead, Jennings is directed merely to transfers of funds among accounts, which are clearly distinct from payment instruments.

The Office Action does note in connection with Claim 21 that Mori discloses the use of a magnetic or IC card as a portable storage medium that may be used for transferring provisional settlement money. Again, however, provisional settlement money appears to be a new concept disclosed in Mori that is distinct from money or funds, and the use of a portable storage medium is disclosed as an alternative mechanism for transferring the provisional settlement money. Even if Mori does teach that a payment instrument may be a credit card, Claim 21 is still believed to be allowable by virtue of its dependence from Claim 15 since the Office Action provides no indication of how the specific limitations of Claim 15 are disclosed by Mori.

c. Claims 12 and 16

As previously noted, one necessary component for establishing a *prima facie* case under §103(a) is that there be some suggestion or motivation to combine teachings from references in the manner proposed. MPEP 2143. In the case of Claims 12 and 16, the Office

Action proposes to further modify a combination of Jennings, Schrader, and Mori in accordance with the teachings of Nether to effect the funds transfer by generating and sending a money order. Such a modification is completely contrary to the teachings of the underlying references, and such a teaching away from a modification has long been recognized as a strong indication that the proposed modification is *not* obvious.

For example, Jennings is principally concerned with using funds transfers between accounts as a mechanism for avoiding the long delays associated with wire transfers (Jennings, Col. 1, ll. 17 – 56). The proposal to modify Jennings so that a money order is generated and send to effect the funds transfer rather than using the electronic mechanisms that are taught is completely contrary to this goal of avoiding long delays. Mori is principally concerned with the use of "provisional settlement money" as a mechanism for avoiding risks involved with the purchase of goods. Substituting such provisional settlement money with actual funds drawn on a money order would defeat this goal. Thus, there is no motivation to modify the cited art as proposed in the Office Action.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

Patrick M. Boucher
Reg. No. 44,037

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 303-571-4000
Fax: 415-576-0300
Attachment
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